

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

WINDY CITY ENERGY, INC.,)	
Complainant,)	
)	
vs.)	Docket No. 14-0709
)	
NORTHERN ILLINOIS GAS COMPANY)	
d/b/a NICOR GAS COMPANY,)	
Respondent.)	

ANSWER TO FIRST AMENDED COMPLAINT

Northern Illinois Gas Company d/b/a Nicor Gas Company (“Nicor Gas”), by and through its undersigned attorneys, and for its Answer to the First Amended Complaint (“Complaint”) of Windy City Energy, Inc. (“Windy City”) states as follows:

ALLEGATIONS COMMON TO ALL COUNTS

ALLEGATION NO. 1. Windy City Energy is a supplier of natural gas, providing gas to its customers though a contract with NICOR Gas (hereinafter the “NICOR/Windy City Contract”). A copy of that contract is attached hereto as Exhibit A.

ANSWER:

Nicor Gas admits the allegations of Paragraph 1.

ALLEGATION NO. 2. That contract provides for NICOR to deliver natural gas to Windy City’s customers, and requires Windy City to deliver sufficient natural gas to NICOR for delivery to Windy City’s customers.

ANSWER:

With respect to the allegations of Paragraph 2, Nicor Gas states that the contract between Nicor Gas and Windy City speaks for itself and Nicor Gas denies any allegations of Paragraph 2 to the extent they are inconsistent therewith.

ALLEGATION NO. 3. Windy City enters into monthly gas purchase agreements with gas wholesalers who then transport the purchased gas to NICOR for delivery to Windy City's customers.

ANSWER:

Nicor Gas admits that Windy City arranges for the transport of purchased gas to Nicor Gas for delivery to Windy City's customers. Nicor Gas lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 3 regarding Windy City's agreements with entities other than Nicor Gas, and therefore denies them.

ALLEGATION NO. 4. Those gas purchase contracts must be entered into by Windy City immediately prior to the first of each month.

ANSWER:

Nicor Gas lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 4, and therefore denies them.

ALLEGATION NO. 5. In the event Windy City's customers use more gas than that delivered by Windy City to NICOR on a Critical Day, the shortage of gas must be purchased by Windy City from NICOR at the market rate.

ANSWER:

With respect to the allegations of Paragraph 5, Nicor Gas states that its tariff governs usage of gas on a Critical Day and the cost of such usage. Nicor Gas further states that its tariff defines Daily Unauthorized Use by a Customer as "usage on any Critical Day in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the Company less unaccounted for gas; (c) storage withdrawals as limited by [Storage Banking Service ("SBS")]; (d) the contracted for quantity of Firm Backup Service; and (e) Authorized Use within the limitations of the SBS." Ill.C.C. No. 16 – Gas, 5th Revised Sheet No. 51. Nicor Gas further states that its tariff provides that the cost for each therm of Unauthorized Use is "the

sum of \$6.00 plus the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to [Rider 13].” Ill.C.C. No. 16 – Gas, 6th Revised Sheet No. 71. Nicor Gas denies the allegations of Paragraph 5 to the extent they are inconsistent with its tariff.

ALLEGATION NO. 6. The NICOR/Windy City Contract is pursuant to, and incorporates by reference, certain Rates, Riders and Conditions that are contained in NICOR’s Schedule of Rates for Gas Service.

ANSWER:

Nicor Gas admits the allegations of Paragraph 6.

ALLEGATION NO. 7. The Schedule of Rates for Gas Service includes a provision regarding Limitations of Service which provides as follows:

Continuous Service:

The Company will endeavor to furnish a regular supply of gas to the Customer, unless otherwise specified in this rate.... (NICOR Schedule of Rates, 3rd Revised Sheet 44, a copy of which is attached hereto as Exhibit B).

ANSWER:

With respect to the allegations of Paragraph 7, Nicor Gas admits that its tariff, 3rd Revised Sheet No. 44, includes a provision regarding Limitations of Service that provides as follows:

Continuous Service.

The Company will endeavor to furnish a regular supply of gas to the Customer, unless otherwise specified in the rate. The liability of the Company for damages arising out of service interruptions occurring in the course of furnishing service, and not caused by the negligence of the Customer, shall in no event exceed an amount equivalent to the fixed charges that would otherwise be billed to the Customer for a period of service during which such service interruption occurs. No other liability shall in any case attach to the Company.

Ill.C.C. No. 16 – Gas, 3rd Revised Sheet No. 44.

ALLEGATION NO. 8. NICOR’s Terms and Conditions further contains a provision that allows NICOR to declare “Critical Days”, on which suppliers like Windy City must curtail their use and delivery of gas to their customers, or pay substantial penalties.

ANSWER:

With respect to the allegations of Paragraph 8, Nicor Gas states that its tariff governs usage of gas on a Critical Day and the cost of such usage. Nicor Gas further states that its tariff defines Daily Unauthorized Use by a Customer as “usage on any Critical Day in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the Company less unaccounted for gas; (c) storage withdrawals as limited by SBS; (d) the contracted for quantity of Firm Backup Service; and (e) Authorized Use within the limitations of the SBS.” Ill.C.C. No. 16 – Gas, 5th Revised Sheet No. 51. Nicor Gas further states that its tariff provides that the cost for each therm of Unauthorized Use is “the sum of \$6.00 plus the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to [Rider 13].” Ill.C.C. No. 16 – Gas, 6th Revised Sheet No. 71. Nicor Gas denies the allegations of Paragraph 8 to the extent they are inconsistent with its tariff.

ALLEGATION NO. 9. Critical Day is defined in NICOR’s Schedule of Rates as follows:

Critical Day Definition

A Critical Day shall be a day which may be declared by the Company whenever any of the following five conditions occurs or is anticipated to occur: (a) when the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities; (b) when transmission system pressures or other unusual condition jeopardize the operation of the Company’s system; (c) when the Company’s transmission, storage and supply resources are being used at or near their maximum rated deliverability; (d) when any of the Company’s transporters or suppliers call the equivalent of a Critical Day; or (e) when the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of the Company’s system. (NICOR

Schedule of Rates, 3rd Revised Sheet 44, a copy of which is attached hereto as Exhibit 2)

ANSWER:

With respect to the allegations of Paragraph 9, Nicor Gas admits that its tariff defines Critical Day as follows:

Critical Day Definition.

A Critical Day shall be a day which may be declared by the Company whenever any of the following five conditions occurs or is anticipated to occur: (a) when the Company experiences failure of transmission, distribution, gas storage or gas manufacturing facilities; (b) when transmission system pressures or other unusual conditions jeopardize the operation of the Company's system; (c) when the Company's transmission, storage, and supply resources are being used at or near their maximum rated deliverability; (d) when any of the Company's transporters or suppliers call the equivalent of a Critical Day; or (e) when the Company is unable to fulfill its firm contractual obligations or otherwise when necessary to maintain the overall operational integrity of all or a portion of the Company's system.

Ill.C.C. No. 16 – Gas, 5th Revised Sheet No. 47. Nicor Gas denies the allegations of Paragraph 9 to the extent they state that the Critical Day Definition is found in Nicor Gas' Schedule of Rates, 3rd Revised Sheet No. 44, and Nicor Gas further denies that a copy of its Schedule of Rates, 3rd Revised Sheet No. 44, is attached to the Complaint as Exhibit 2.

ALLEGATION NO. 10. According to NICOR's Schedule of Rates, if Windy City had a shortfall in its deliveries to NICOR and had to purchase gas from NICOR during Critical Days, NICOR could charge Windy City a penalty in addition to the market price of the gas.

ANSWER:

With respect to the allegations of Paragraph 10, Nicor Gas states that its tariff governs usage of gas on a Critical Day and the cost of such usage. Nicor Gas further states that its tariff defines Daily Unauthorized Use by a Customer as "usage on any Critical Day in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the

Company less unaccounted for gas; (c) storage withdrawals as limited by SBS; (d) the contracted for quantity of Firm Backup Service; and (e) Authorized Use within the limitations of the SBS.”

Ill.C.C. No. 16 – Gas, 5th Revised Sheet No. 51. Nicor Gas further states that its tariff provides that the cost for each therm of Unauthorized Use is “the sum of \$6.00 plus the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to [Rider 13].” Ill.C.C. No. 16 – Gas, 6th Revised Sheet No. 71. Nicor Gas denies the allegations of Paragraph 10 to the extent they are inconsistent with its tariff.

ALLEGATION NO. 11. The declaration of Critical Days by NICOR causes a dramatic increase in the market price of natural gas in the market serviced by NICOR and Windy City.

ANSWER:

Nicor Gas denies the allegations of Paragraph 11.

ALLEGATION NO. 12. When NICOR declares a Critical Day, Windy City is still contractually obligated to provide its customers with natural gas, and NICOR is the only means by which Windy City can meet those obligations.

ANSWER:

Nicor Gas lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 12, and therefore denies them.

ALLEGATION NO. 13. NICOR’s Rider 13 gives NICOR the discretion to request deposits from gas providers like Windy City with respect to pools created by the providers among their customers. NICOR has the discretion to require deposits up to two times the monthly gas usage by such pools.

ANSWER:

Nicor Gas admits that its Rider 13 states that suppliers like Windy City “must provide adequate assurances of payment to the Company” and that “[s]uch assurances may include prior payment of an amount equivalent to two months of service, including gas costs, under this rider

or an irrevocable standby letter of credit drawn on a bank acceptable to the Company.” Ill.C.C.

No. 16 – Gas, 6th Revised Sheet No. 72. Nicor Gas denies the allegations of Paragraph 13 to the extent they are inconsistent with its tariff.

ALLEGATION NO. 14. NICOR had and has broad discretion pursuant to the Schedule of Rates for Gas Service and Terms and Conditions in ensuring continuous service, declaring Critical Days, and requesting deposits from suppliers like Windy City.

ANSWER:

With respect to the allegations of Paragraph 14, Nicor Gas states that its tariff speaks for itself and Nicor Gas denies any allegations of Paragraph 14 to the extent they are inconsistent therewith.

ALLEGATION NO. 15. In addition to the NICOR/Windy City Contract, Windy City and NICOR have had a course of dealing pursuant to which NICOR has exercised its discretion pursuant to its Schedule of Rates and Terms and Conditions.

ANSWER:

Nicor Gas admits that it acted in accordance with its tariff. Nicor Gas denies the remaining allegations of Paragraph 15.

ALLEGATION NO. 16. That course of dealing constitutes additional terms of the contract between NICOR and Windy City and Windy City has taken actions and invested significant sums in reliance on NICOR’s abiding by the terms of the Windy City Contract and the parties’ course of dealings. Windy City has entered into a series of contracts with NICOR in reliance on the parties’ course of dealings and has entered into contracts with its own customers in reliance on NICOR’s obligation to deliver gas to Windy City customers at commercially reasonable rates.

ANSWER:

Nicor Gas admits that Windy City entered into a contract with Nicor Gas and states that the contract between Nicor Gas and Windy City speaks for itself. Nicor Gas lacks knowledge or information sufficient to form a belief as to the truth of the allegations of Paragraph 16 regarding

Windy City's investments or contracts with entities other than Nicor Gas, and therefore denies them. Nicor Gas denies the remaining allegations of Paragraph 16.

ALLEGATION NO. 17. Prior to the time at issue in this Complaint, NICOR had never charged Windy City a penalty.

ANSWER:

Nicor Gas admits the allegations of Paragraph 17.

ALLEGATION NO. 18. In the year prior to the time at issue in this Complaint, NICOR declared only one Critical Day.

ANSWER:

Nicor Gas admits the allegations of Paragraph 18.

ALLEGATION NO. 19. Prior to the time at issue in this Complaint, NICOR had only required Windy City to post a security deposit to ensure payment by members of a pool created by Windy City among its customers (hereinafter the "Windy City Pool").

ANSWER:

Nicor Gas admits that it required Windy City to pay a deposit in accordance with Rider 13, which states that suppliers like Windy City "must provide adequate assurances of payment to the Company" and that "[s]uch assurances may include prior payment of an amount equivalent to two months of service, including gas costs, under this rider or an irrevocable standby letter of credit drawn on a bank acceptable to the Company." Ill.C.C. No. 16 – Gas, 6th Revised Sheet No. 72. Nicor Gas denies the allegations of Paragraph 19 to the extent they are inconsistent with its tariff.

ALLEGATION NO. 20. NICOR did not require Windy City to post a deposit for its customers who were not a part of the pool.

ANSWER:

Nicor Gas admits the allegations of Paragraph 20.

ALLEGATION NO. 21. Prior to the time at issue in this Complaint, NICOR had required Windy City to post an annual security deposit in the amount of \$100,000, representing two times the monthly gas usage by members of the Windy City Pool. (A copy of the invoice from NICOR for the Windy City Pool security deposit for 2013 is attached hereto as Exhibit C.)

ANSWER:

Nicor Gas admits that it required Windy City to pay a deposit in accordance with Rider 13, which states that suppliers like Windy City “must provide adequate assurances of payment to the Company” and that “[s]uch assurances may include prior payment of an amount equivalent to two months of service, including gas costs, under this rider or an irrevocable standby letter of credit drawn on a bank acceptable to the Company.” Ill.C.C. No. 16 – Gas, 6th Revised Sheet No. 72. Nicor Gas admits that, on September 25, 2013 and in accordance with Rider 13, it requested Windy City to pay a deposit in the amount of \$100,000 for the twelve month period from November 2013 to October 2014 and that Exhibit C to the Complaint is a copy of Nicor Gas’ request for the Windy City deposit. Nicor Gas states that, as reflected in Exhibit C to the Complaint, Windy City’s deposit requirement for the twelve month period from November 2013 to October 2014 was calculated at \$300,000 and then reduced to the higher of \$100,000 or 25% of what would normally be required. Nicor Gas denies the remaining allegations of Paragraph 21.

COUNT I – STATUTORY CLAIM

ALLEGATION NOS. 22-43: Count I of the Complaint was dismissed by the Administrative Law Judge’s February 17, 2016 Ruling and, therefore, no response is required to the allegations contained in Paragraphs 22 through 43.

COUNT II – BREACH OF CONTRACT

ALLEGATION NOS. 44-46: Count II of the Complaint was dismissed by the Administrative Law Judge’s February 17, 2016 Ruling and, therefore, no response is required to the allegations contained in Paragraphs 44 through 46.

**COUNT III – BREACH OF CONTRACT
GOOD FAITH AND FAIR DEALING**

ALLEGATION NOS. 47-51: Count III of the Complaint was dismissed by the Administrative Law Judge’s February 17, 2016 Ruling and, therefore, no response is required to the allegations contained in Paragraphs 47 through 51.

**COUNT IV – BREACH OF CONTRACT
ESTOPPEL**

ALLEGATION NOS. 52-54: Count IV of the Complaint was dismissed by the Administrative Law Judge’s February 17, 2016 Ruling and, therefore, no response is required to the allegations contained in Paragraphs 52 through 54.

COUNT V – DECLARATORY JUDGEMENT

ALLEGATION NOS. 1-54: [Windy City] re-alleges and incorporates by reference paragraphs 1-54 of Count IV as paragraphs 1-54 of Count V.

ANSWER:

Nicor Gas reasserts and incorporates by reference its responses to the allegations of Paragraphs 1 through 54 as if fully stated herein.

ALLEGATION NO. 55: The Critical Day penalties assessed by NICOR constitute a breach of the parties’ contract and NICOR is not entitled to collect those penalties.

ANSWER:

Paragraph 55 asserts a claim for breach of contract by Nicor Gas based on its assessment of Critical Day penalties. Counts II, III, and IV of the Complaint make the same assertion and those Counts were dismissed by the Administrative Law Judge's February 17, 2016 Ruling. Therefore, no response should be required to the allegations contained in Paragraph 55. To the extent a response is required, Nicor Gas denies the allegations of Paragraph 55. As determined in the Administrative Law Judge's February 17, 2016 Ruling, the costs assessed to Windy City for Unauthorized Use on a Critical Day were calculated pursuant to the terms of Nicor Gas' tariff. Nicor Gas' tariff defines Daily Unauthorized Use by a Customer as "usage on any Critical Day in excess of the sum of: (a) Requested Authorized Use; (b) the volume of Customer-owned gas delivered to the Company less unaccounted for gas; (c) storage withdrawals as limited by SBS; (d) the contracted for quantity of Firm Backup Service; and (e) Authorized Use within the limitations of the SBS." Ill.C.C. No. 16 – Gas, 5th Revised Sheet No. 51. Nicor Gas' tariff further provides that the cost for each therm of Unauthorized Use is "the sum of \$6.00 plus the higher of: (a) the Rider 6 Gas Cost (GC); or (b) the Market Price as defined in the Terms and Conditions applicable to [Rider 13]." Ill.C.C. No. 16 – Gas, 6th Revised Sheet No. 71.

ALLEGATION NO. 56: The total of \$650,000 demanded by NICOR from Windy City as a "deposit" was in fact an attempt to collect the unjust penalties assessed by NICOR against Windy City during the Critical Days NICOR improperly called in 2014.

ANSWER:

Nicor Gas admits that it required Windy City to pay a deposit in accordance with Rider 13, which states that suppliers like Windy City "must provide adequate assurances of payment to the Company" and that "[s]uch assurances may include prior payment of an amount equivalent to two months of service, including gas costs, under this rider or an irrevocable

standby letter of credit drawn on a bank acceptable to the Company.” Ill.C.C. No. 16 – Gas, 6th Revised Sheet No. 72. Nicor Gas admits that, on September 26, 2014 and in accordance with Rider 13, it requested that Windy City pay a deposit in the amount of \$650,000 for the twelve month period from November 2014 to October 2015. Nicor Gas states that it reassesses the deposit requirement for Rider 13 suppliers annually during the month of September. Nicor Gas further states that during the Spring and Summer of 2014, Windy City had a large past due balance to Nicor Gas for amounts other than the penalty charges challenged by Windy City in this proceeding. Nicor Gas further states that Windy City’s deposit requirement for the twelve month period from November 2014 to October 2015 was calculated at an amount equivalent to two months of service, including gas costs, and that the unpaid penalty charges were not factored into the calculation of the amount of the deposit requirement. Nicor Gas further states that the calculation of the deposit is shown on Exhibit A to this Answer and that the amounts shown on Exhibit A are accurate. Nicor Gas further states that Windy City did not pay Nicor Gas the deposit requested by Nicor Gas on September 26, 2014. Nicor Gas denies the remaining allegations of Paragraph 56.

ALLEGATION NO. 57: The additional \$550,000 deposit NICOR demanded from Windy City (in addition to the \$100,000 NICOR has already confiscated), despite no increase in usage by Windy City, was a breach of the parties’ contract as set forth above.

ANSWER:

Nicor Gas denies the allegations in Paragraph 57.

ALLEGATION NO. 58: By disguising the penalties as a deposit, NICOR sought to collect those penalties while avoiding liability under the Illinois Public Utilities Act, and for breach of contract, as set forth more fully above.

ANSWER:

Nicor Gas denies the allegations in Paragraph 58. The costs assessed to Windy City for Unauthorized Use on a Critical Day were calculated pursuant to the terms of Nicor Gas' tariff. Independently, Windy City's deposit requirement for the twelve month period from November 2014 to October 2015 was calculated at an amount equivalent to two months of service, including gas costs, in accordance with the terms of Nicor Gas' tariff.

ALLEGATION NO. 59: Windy City is entitled to declaratory relief declaring its rights and obligations against NICOR pursuant to the Illinois Declaratory Judgment Act, 735 ILCS 5/2-701.

ANSWER:

Paragraph 59 states a legal conclusion to which no response is required. To the extent a response is deemed required, Nicor Gas denies the allegations of Paragraph 59.

PRAYER FOR RELIEF

Nicor Gas denies that Windy City is entitled to the judgment and relief requested in Count V of the Complaint.

Dated: March 18, 2016

Respectfully submitted,

NORTHERN ILLINOIS GAS COMPANY
D/B/A/ NICOR GAS COMPANY

By: /s/ Anne W. Mitchell
One of its attorneys

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CERTIFICATE OF SERVICE

I, Anne W. Mitchell, hereby certify that I caused a copy of the foregoing Answer to First Amended Complaint to be served upon the service list in Docket No. 14-0709 by electronic mail on the 18th day of March, 2016.

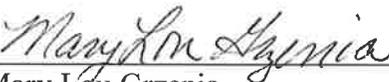
/s/ Anne W. Mitchell

Anne W. Mitchell

STATE OF ILLINOIS)
)
COUNTY OF DUPAGE)

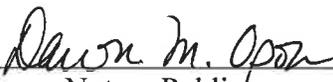
VERIFICATION

I, Mary Lou Grzenia, Manager, Customer Select & Gas Transportation for Northern Illinois Gas Company d/b/a Nicor Gas Company, being first duly sworn, hereby state that I have read the foregoing Answer to First Amended Complaint, that I have knowledge of the facts stated therein, and that the same are true and correct to the best of my knowledge, information and belief.



Mary Lou Grzenia

Subscribed and sworn to before me
this 17th day of March, 2016.



Notary Public





Nicor Gas™

An AGL Resources Company

Gas Transportation Dept.
1844 Ferry Road
Naperville, IL 60563

Phone: 630 983.4040
Email: GTQA@nicor.com

September 26, 2014

Mr. Rich Schutz
President
Windy City Energy
7N018 Whispering Trails Rd.
St Charles, IL., 60175

Delivered by Email and U.S. Mail

Dear Mr. Rich Schutz:

Nicor Gas has recently evaluated its exposure relative to Rider 13 Suppliers. Windy City Energy serves many of its customers behind Nicor Gas' city-gate through the Supplier Transportation Service tariff (as filed and approved with the Illinois Commerce Commission). Please be advised that pursuant to the terms of Rider 13, Nicor Gas is requiring "adequate assurances of payment". The tariff allows for assurances of an amount equivalent to up to two months of service, including gas costs. Your deposit requirement is \$650,000 as calculated per the attached worksheet. The assurance amount is due by November 1, 2014 and may be fulfilled by prior cash payment, unless your company elects to provide an alternative form of credit enhancement and communicates details of the alternative to Nicor Gas by October 10, 2014. Nicor Gas reserves the right to perform periodic evaluations of the adequate assurance amount; and based upon its periodic evaluation, Nicor Gas may revise its request for adequate assurance.

Acceptable forms of alternative credit enhancement would include: (i) letter of credit – see below for requirements; or (ii) a parent guaranty from an affiliate approved by Nicor Gas, at its sole discretion, and rated by S&P or Moody's at a minimum level of BBB+/Baal, respectively.

If you plan to provide a letter of credit, it must be a standby irrevocable letter of credit approved by Nicor Gas, in its reasonable discretion, naming Northern Illinois Gas Company d/b/a Nicor Gas Company as the beneficiary, with an expiry date of October 31, 2015. Please email a blank form from your bank by October 10, 2014 to Nicor Gas for approval. The issuer of the letter of credit must be an "Eligible LC Bank". Any such letter of credit will be available for drawing by presentation of sight drafts in Chicago, Illinois at the office of the issuer or an advising bank that has been approved by Nicor Gas, or in another location in the United States if such presentation may be made by facsimile transmission. "Eligible LC Bank" means a commercial bank organized and existing under the laws of the United States or a state thereof or the District of Columbia, operating from an office in the continental United States, acceptable to Nicor Gas, whose general long-term unsubordinated unsecured debt is at such time rated at least "A" by Standard & Poor's Ratings Services, and at least "A2" by Moody's Investor Service; in the event

such a commercial bank is rated by only one of S&P or Moody's, eligibility will be based on the available rating.

Nicor Gas requires the adequate assurance of payment from your company by November 1, 2014 in order to comply with the above-referenced tariff provision. In the event Nicor Gas does not receive the adequate assurance of payment on or before November 1, 2014, Nicor Gas shall avail itself of all remedies available under the applicable tariff terms and conditions.

Please direct these documents to the attention of:

Robert DePriest
Supervisor, Gas Transportation
Nicor Gas
1844 Ferry Road
Naperville, Illinois 60563-9600
rdepries@aglresources.com

ACH transfer information is as follows:

Bank: JP Morgan
City/State: New York, NY
ABA#: 021409169
Account#: 405
Account name: Northern Illinois Gas Company d/b/a Nicor Gas Company
Ref: 10 digit Nicor Gas Account Number

If you have any questions regarding this request for deposit, please contact Robert DePriest at (630) 388-2127.

Sincerely,



Mary Lou Grzenia
Manager, Customer Select & Gas Transportation

Attachment

cc: Lee Smith, Director, Credit, AGL Resources

Windy City Energy
 NON-COMMON OWNERSHIP DATA AS OF 09/01/14
Account No. 0398615269

Prepared 9/25/2014

	Group No	Number of Accounts	MDCQ (Therms)
1	5203	67	80,713
Totals		67	80,713

**WEIGHTED AVERAGE COST OF GAS
 AND
 DEPOSIT CALCULATION**

Month	Futures Price 1/	Usage Trend 2/	Wtd Avg Price of Gas
October 2014	\$ 3.910	8%	\$ 0.313
Nov	\$ 4.157	11%	\$ 0.457
Dec	\$ 4.390	12%	\$ 0.527
January 2015	\$ 4.584	15%	\$ 0.688
Feb	\$ 4.559	13%	\$ 0.593
Mar	\$ 4.346	13%	\$ 0.565
Apr	\$ 3.824	8%	\$ 0.306
May	\$ 3.804	6%	\$ 0.228
Jun	\$ 3.829	4%	\$ 0.153
Jul	\$ 3.858	3%	\$ 0.116
Aug	\$ 3.869	3%	\$ 0.116
Sep	\$ 3.857	4%	\$ 0.154
		<u>100%</u>	<u>\$ 4.216</u>

Wtd. Avg. Price Per Therm	\$ 0.4216
Total Rider 13 MDCQ (in therms)	80,713 3/
Total Rider 13 MDCQ adjusted for seasonal users	73,296
No. of MDCQ days = 2 mos. usage	21 4/
Deposit amount (rounded to \$10k)	\$ 650,000 5/

Footnotes:

- 1/ NYMEX Henry Hub settlement (per Platts Gas Daily as of 09/18/14). + Chicago City-Gate Basis (per Platts Inside FERC as of 09/18/14).
- 2/ Usage distribution per daily balanced customer sample.
- 3/ Total Rider 13 manager Maximum Daily Contract Quantity (MDCQ).
- 4/ Two months' usage as related to MDCQ days per daily balanced customer sample.
- 5/ Deposit amount = Weighted average price of gas * Total adjusted Rider 13 MDCQ * No. of MDCQ days.